

## EFSI Operation Scoreboard<sup>1</sup>

PROJECT PRESENTATION	
<b><u>Project name</u></b>	PREDIREC ENR 2
<b><u>Promoter and financial intermediary</u></b>	ACOFI GESTION
<b><u>Country of implementation</u></b>	France, Regional - EU countries
<b><u>Summary project description</u></b>	<p>The EIB is considering an investment in Predirec EnR 2 FCT ("EnR 2" or the "Fund"). EnR 2 is a debt fund offering junior debt to small and mid-sized Renewable Energy ("RE") developers and Independent Power Producers. The latter will use the funding to invest in the development and construction of new greenfield projects.</p> <p>The Fund will be managed by the infrastructure team of ACOFI Gestion, a French asset management group with EUR 2.3bn under management.</p> <p>The sectorial focus will lie on RE projects, primarily solar Photovoltaic, wind and hydro. Up to 20% of commitments can be used to fund other sectors related to the energy transition, e.g. energy efficiency and low carbon mobility.</p> <p>At the end of the investment period, c. EUR 2.3bn of capital expenditure is expected to have been mobilised as a consequence of the Fund's involvement.</p> <p>The Fund will fund projects in the EU and EFTA member states. It expects to invest 50% of its commitments in France, 30% in the Iberian peninsula, Italy and Scandinavia and 20% following a more opportunistic approach in the Benelux, Germany, and Greece.</p>

<sup>1</sup> This Scoreboard of indicators reflects the information presented to the EFSI Investment Committee (IC) for its decision on the use of the EU guarantee for this operation. Therefore, the document does not take into account possible developments that could have occurred after this decision.

Parts of this document that fall under the exceptions for disclosure defined by the EIB Group Transparency Policy, notably under articles 5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...].

## PROJECT PILLAR ASSESSMENT

### Pillar 1

Contribution to EU policy		High
Cross-cutting objectives		
Climate Action		100.00%
EFSI		
Contribution to EFSI		100.00%
EFSI: Development of the energy sector in accordance with the Energy Union priorities		100.00%
Expansion of the use or supply of renewable energy		100.00%

### Pillar 2

Quality and soundness of the project		Good
1. Growth		[...]
2. Promoter capabilities		[...]
3. Sustainability		[...]
4. Employment		[...]

This pillar evaluates the quality and soundness of the operation. This pillar is composed of up to four indicators, as relevant, among which:

- (i) "Growth" i.e. for example and where relevant the economic rate of return ('ERR'), which considers the project's socioeconomic costs and benefits, including its spillover effects;
- (ii) "Promoter capabilities" i.e. the capacity of the promoter/intermediary to implement the project and create the expected impact at the [final] beneficiary level;
- (iii) "Sustainability" i.e. environmental and social sustainability<sup>2</sup>;
- (iv) "Employment" i.e. the project's direct employment effect;
- (v) "Increasing access to finance and improving financing conditions including for final beneficiaries".

### Pillar 3

EIB Technical and financial contribution to the project		Significant
1. Financial contribution		[...]
2. Financial facilitation		[...]
3. Advice		[...]

This pillar measures the EIB's particular contribution to the project and its financing scheme in the form of financial and non-financial benefits which go beyond what commercial players would normally be able to offer. This dimension of value added is assessed through up to three indicators:

- (i) "Financial Contribution" i.e. improving the counterpart's funding terms compared to market sources of finance (interest rate reduction and/or longer lending tenor);
- (ii) "Financial Facilitation" i.e. helping to attract private financiers (for example through positive signaling effects), promoting synergies in co-financing with other public sources of funds including National Promotional Banks or EU financial instruments;
- (iii) "Technical Contribution and Advice" i.e. providing advice with a view to optimizing the financing package (financial structuring), or technical advisory services in the form of expert input / knowledge transfer - provided in-house by the EIB or in the form of assignments to external consultants - to facilitate the preparation or implementation of a project.

<sup>2</sup> For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website.

## **Pillar 4 - Complementary indicators**

### ***Additionality***

In line with the EFSI objectives of developing the energy sector in accordance with the Energy Union priorities, the operation will provide support mainly to small Renewable Energy (RE) developers and companies operating in other energy transition related sectors such as Energy Efficiency (EE). The operation will finance the early stage (without development risk) of new carbon-free investments, hence the operation will be fully contributing to the EIB Climate Action objective.

These projects are key to reduce the negative carbon and air pollution externalities in the EU and contribute to securing energy supply by reducing dependency on energy imports.

The project addresses major market failures in the RE and other energy transition related segments. Particular focus will be laid on the lack of alternatives to equity funding and flexibility in financing the development of small-scale RE projects, including the riskier ones subject to merchant risk. Due to the fragmented nature of this market, small RE developments as well as EE developments are not attractive to institutional investors, hence this market suffers from a structural sub-optimal investment situation due to the lack of equity capital. Most of the RE project promoters are going to be EU-based SME companies.

This EIB operation is an equity-type investment and as such, it will fall under the Special Activities category. This is in particular due to the subordinated nature of lending, achieving a higher debt leverage at sub-project level. The sub-financing will carry significantly higher risk in light of the unsubsidised nature of most of the sub-projects. But this unsubsidised RE market is needed to unlock the additional investments required to reach the 2030 RE targets and EU energy transition. The EIB would not be able to provide such type of financing support during the period in which the EU guarantee can be used, or not to the same extent, without EFSI.

The EIB is participating in the early stage of fundraising and it is expected to play a key role as anchor investor to the Fund. This will result in a quality stamp on the Fund strategy that is expected to crowd in a diverse investor base, mainly from France but also from other EU countries, achieving a high catalytic effect. The Fund in turn will contribute to activate a substantial amount of private resources for new projects, both from commercial banks and equity sponsors, mobilising a significant amount of additional investments in the RE market.

## Set of indicators related to the macroeconomic environment

### France - Economic environment

#### Economic Performance

	FR 2018	EU 2018	US 2018	FR 2001-2007
GDP per capita (EUR, PPS)	31,988.40	30,935.11	43,569.11	31,052.71
GDP growth (%)	1.58	1.97	2.86	1.90
Potential GDP growth (%)	1.21	1.60	2.24	1.78
Output gap (% of potential GDP)	0.36	0.62	0.74	1.69
Unemployment Rate (%)	8.90	6.60	3.90	8.50
Unemployment Rate (%) - Y/Y change (% points)	-0.20	-0.60	-0.20	-0.19
Bank-interest rates to non-financial corporations (%)	1.37	1.26	--	3.53
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.03	-0.06	--	0.00
Investment rate (GFCF as % of GDP) - Total	22.92	20.54	20.84	21.76
Investment rate (GFCF as % of GDP) - Public	3.39	2.86	3.31	3.91
Investment rate (GFCF as % of GDP) - Private	19.53	17.68	17.53	17.84

#### Energy

	2014	2015	2016	2017	EU (latest available)
Energy consumption from renewables (%)	16.19	16.72	17.02	17.53	17.53
Energy consumption from renewables - distance to EU 2020 target (%)	8.23	7.81	7.07	6.70	2.47
Energy dependence (%)	53.50	--	--	--	53.50
Primary energy consumption (consumption in 2005 =100)	90.10	91.90	90.50	--	90.00
Energy intensity of the Economy (kg of oil equivalent per 1 000 EUR)	--	--	--	--	141.83
Primary energy consumption (Million Tonnes of Oil Equivalent)	1,508.60	1,531.90	1,542.70	--	1,542.70
Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target	25.60	48.90	59.70	--	59.70

#### General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Electricity, gas, steam and air conditioning supply (% of total VA)	1.91	1.86	1.86	1.82	1.82
Employment in Electricity, gas, steam and air conditioning supply (% of total employment)	0.56	0.54	0.54	0.46	0.54

### Regional - EU countries - Economic environment

#### Economic Performance

	EU 2018	EU 2018	US 2018	EU 2001-2007
GDP per capita (EUR, PPS)	30,935.11	30,935.11	43,569.11	29,363.37
GDP growth (%)	1.97	1.97	2.86	2.28

Potential GDP growth (%)	1.60	1.60	2.24	2.10
Output gap (% of potential GDP)	0.62	0.62	0.74	0.93
Unemployment Rate (%)	6.60	6.60	3.90	8.56
Unemployment Rate (%) - Y/Y change (% points)	-0.60	-0.60	-0.20	-0.26
Bank-interest rates to non-financial corporations (%)	1.26	1.26	--	3.90
Bank-interest rates to non-financial corporations (%) - Y/Y change (% points)	-0.06	-0.06	--	-0.02
Investment rate (GFCF as % of GDP) - Total	20.54	20.54	20.84	21.39
Investment rate (GFCF as % of GDP) - Public	2.86	2.86	3.31	3.05
Investment rate (GFCF as % of GDP) - Private	17.68	17.68	17.53	18.33

## Energy

	2014	2015	2016	2017	EU (latest available)
Energy consumption from renewables (%)	16.19	16.72	17.02	17.53	17.53
Energy consumption from renewables - distance to EU 2020 target (%)	3.81	3.28	2.98	2.47	2.47
Energy dependence (%)	53.50	--	--	--	53.50
Primary energy consumption (consumption in 2005 =100)	88.10	89.40	90.00	--	90.00
Energy intensity of the Economy (kg of oil equivalent per 1 000 EUR)	--	--	--	--	141.83
Primary energy consumption (Million Tonnes of Oil Equivalent)	1,508.60	1,531.90	1,542.70	--	1,542.70
Primary energy consumption (Million Tonnes of Oil Equivalent) - distance to EU 2020 target	25.60	48.90	59.70	--	59.70

## General Sector Indicators

	2014	2015	2016	2017	EU (latest available)
Value added in Electricity, gas, steam and air conditioning supply (% of total VA)	1.91	1.86	1.86	1.82	1.82
Employment in Electricity, gas, steam and air conditioning supply (% of total employment)	0.56	0.54	0.54	--	0.54

- Country average for "GDP per capita (EUR, PPS)" is calculated in real terms

- EU value for "Bank-interest rates to non-financial cooperations" corresponds to Euro Area average; Country average is the simple average between 2003 and 2007

- The EU value is displayed as the value in the year that corresponds to the latest value of the indicator in a particular country

## Other indicators<sup>3</sup>

Key project characteristics	Expected value at PCR
Start of works	30.05.2020
End of works	30.05.2025
Project investment cost [MEUR]	300.00 MEUR
EIB/EFSI eligible investment mobilised [MEUR]	1,424.00 MEUR
External EFSI multiplier	19.24
External EIB (non-EFSI) multiplier	
Amount of private financing [MEUR]	225.00 MEUR
Quick start (% of expenditure during 2015-2018) [%]	
Co-financing with national promotional banks [MEUR]	0.00 MEUR
Co-financing with structural funds (ESIF) [MEUR]	0.00 MEUR
Co-financing with other EU instruments (i.e. Horizon 2020, Connecting Europe Facility, etc) [MEUR]	0.00 MEUR
Energy efficiencies realised [MWh/a]	0.00 MWh/a
Climate Action indicator	100.00% Mitigation - Renewable Energy (transversal)
Employment during construction - temporary jobs [person years]	2,450 person years
Employment during operation - new permanent jobs [FTE]	245 FTE

<sup>3</sup> For additional information on the EIB's assessment of the project's environmental and social aspects, please refer to the project's Environmental and Social Data Sheet (ESDS) published on the EIB website. The abbreviation PCR stands for Project Completion Report. If applicable, a difference between the amount of Project investment costs and EIB/EFSI eligible investment mobilized might derive from the fluctuation of the underlying exchange rate.